

USAID Grant Agreement No. 306-05-12

**AMENDMENT NUMBER TWELVE
TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT**

**BETWEEN THE
UNITED STATES OF AMERICA
AND
THE ISLAMIC REPUBLIC OF AFGHANISTAN (IRoA)**

FOR

**THE STRATEGIC OBJECTIVE OF A THRIVING ECONOMY LED BY THE PRIVATE
SECTOR**

Dated as of: April 10, 2008

**AMENDMENT NUMBER TWELVE
TO
THE STRATEGIC OBJECTIVE GRANT AGREEMENT**

AMENDMENT NUMBER TWELVE TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT between the Government of the United States of America, acting through the United States Agency for International Development ("USAID"), and the Government of the Islamic Republic of Afghanistan (hereinafter referred to as the "Grantee" or the "IRoA"), acting through the Ministry of Finance, dated as of April 10, 2008

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement ("SOAG") for the Strategic Objective of "A Thriving Economy Led by the Private Sector" (USAID Grant Agreement No. SOAG-306-05-00), dated September 19, 2005 and subsequently amended that SOAG on:

- September 30, 2005 (Amendment No. 1);
- April 6, 2006 (Amendment No. 2);
- May 11, 2006 (Amendment No. 3);
- June 28, 2006 (Amendment No. 4);
- September 18, 2006 (Amendment No. 5);
- September 30, 2006 (Amendment No. 6);
- April 07, 2007 (Amendment No. 7);
- July 2, 2007 (Amendment No. 8) ;
- July 23, 2007 (Amendment No. 9);
- September 19, 2007 (Amendment No. 10); and,
- September 30, 2007 (Amendment No. 11).
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The SOAG as so amended is referred to hereinafter as the "Agreement."

WHEREAS, USAID and the Grantee desire to further amend the Agreement to: (a) increase the USAID contribution by **Seventy Nine Million Thirty Three Thousand Eight Hundred Twenty Two** United States (U.S.) Dollars (**U.S. \$79,033,822.00**); and (b) update the illustrative financial plan to reflect certain adjustments and to cross reference and cross-walk the original SOAG budget information against the new USAID standardized program budget structure.

NOW, THEREFORE, the Parties hereto hereby agree that the Agreement shall be amended as follows:

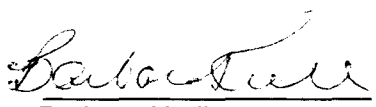
1. The first sentence in Section 3.1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof: "(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed **One Billion Nine Hundred Thirty Million Five Hundred Two Thousand Six Hundred Fifty One and Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S. \$ 1,930,502,651.82**) (the 'Grant')."
2. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof.

Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect. Capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement. This Amendment is prepared in both English and Dari. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Amendment Number Eleven to be signed in their names and delivered as of the day, month and year first written above.

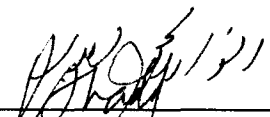
FOR THE UNITED STATES OF AMERICA

FOR THE ISLAMIC REPUBLIC OF
AFGHANISTAN

By: 

Name: Barbara Krell

Title: Acting Mission Director,
USAID/Afghanistan

By: 

Name: Anwar-ul-Haq Ahady

Title: Minister of Finance

Appropriation: 728/91021-90

Fund Code : NOA ESF 2008/2009 (ESF)

Program Area: A04

Program Element A016

Amount: \$50,952,005

Co: 306-SOAG-306-05-0005.00--4

Program Area: A04

Program Element A105

Amount: \$2,513,000

Co: 306-SOAG-306-05-0005.00--4

Program Area: A17

Program Element A125

Amount: \$1,000,000

Co: 306-SOAG-306-05-0005.00--10

Program Area: A18

Program Element A073

Amount: \$250,000

Co: 306-SOAG-306-05-0005.00--5

Program Area: A18

Program Element A074

Amount: \$7,000,000

Co: 306-SOAG-306-05-0005.00--5

Program Area: A18

Program Element A127

Amount: \$1,518,817

Co: 306-SOAG-306-05-0005.00--5

Program Area: A19

Program Element A077

Amount: \$1,000,000

Co: 306-SOAG-306-05-0005.00--6

Program Area: A19

Program Element A078

Amount: \$2,000,000

Co: 306-SOAG-306-05-0005.00--5

Appropriation: 728/91021-90

Fund Code : NOA DA 2008/2009 (DA)

Program Area: A15

Program Element A063

Amount: \$8,000,000

Co: 306-SOAG-306-05-0005.00--6

Program Area: A19

Program Element A077

Amount: \$4,800,000

Co: 306-SOAG-306-05-0005.00--5

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 12

In Thousands of U.S. Dollars

Objective and Activities		Amount Obligated prior to Amendment No. 12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008 *	Amount Remaining to be Obligated in FY 2008 - FY 2010 **	Total Estimated Contribution
A THRIVING ECONOMY LED BY THE PRIVATE SECTOR USAID Grant Agreement No. SOAG-306-05-00						
Rehabilitate the rural economy		516,099	62,234	578,333	456,168	1,034,501
	Accelerate market-led growth in agriculture ***	127,449	8,769	136,217	148,183	284,400
	Accelerate rural development to generate alternative livelihoods —	388,651	53,465	442,116	307,985	750,101
Increase Incomes through Economic Growth ***		180,326	15,800	196,126	255,663	451,789
Expand Improved Access to Economic Infrastructure		1,128,126	1,000	1,129,126	129,814	1,258,940
	Stabilize Energy Services and Make them Affordable and More Accessible ***	408,022	500	408,522	195,926	604,448
	Expand and Improve Access to Transportation	704,376	500	704,876	(274,584)	430,292
	Expand and Improve Access to Water Supplies and Sanitation	15,728	-	15,728	208,472	224,200
USAID Program Support		26,918	-	26,918	16,002	42,920
	TOTAL OBJECTIVE 5:	1,851,469	79,034	1,930,503	857,647	2,788,150

NOTE * -- References to "FY" refer to the USG fiscal year.

NOTE ** -- These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3.1 (b) of the Agreement

NOTE *** -- The illustrative financial plan previously included a line item for "Pre-existing Mortgages"; however, the funds in that line item are now included in the relevant programmatic line items indicated above

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 12
In Thousands of U.S. Dollars

Activity	Program Area	Program Element	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No. 12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008*	Amount Remaining to be Obligated in FY 2008 - FY 2010**	Total Estimated Contribution
IMPROVING ECONOMY LED BY THE PRIVATE SECTOR								
Grant Agreement No. SOAG-306-05-00								
Ind Security	Counter Narcotics	1.4.2	Alternative Development & Alternative Livelihoods	Rehabilitate the Rural Economy Accelerate Rural Development to generate Alternative	404,963	50,952	455,915	750,101
		1.4.5	Program Support (Narcotics)	USAID Program Support	15,878	2,513	3,069	21,460
					420,841	53,465	297,255.395	771,561
ng Justly & ally	2	Good Governance	2.2.3	Local Government and Decentralization	Economic Growth	2,000	-	2,000
					2,000	-	2,000	2,000
y in People	3.1	Health	3.1.8	Water Supply and Sanitation	Expand and Improve Access to Water Supplies and Sanitation	15,728	-	208,472
					15,728	-	208,472	224,200
ic Growth	2	Trade and Investment	4.2.1	Trade and Investment Enabling Environment	Trade and Investment Enabling Environment	31,496	8,000	39,496
			4.2.3	Program Support (Trade)	Program Support (Trade)	700	-	4,300
	4	Infrastructure	4.4.1	Modern Energy Services	Stabilize Energy Services and Make them Affordable and More Accessible	408,022	-	196,426
			4.4.3	Transport Services	Expand and Improve Access to Transportation	704,376	-	(274,084)
			4.4.4	Infrastructure Program Support	USAID Program Support	14,727	1,000	5,733
	5	Agriculture	4.5.1	Agriculture Enabling Environment	Agriculture	69,168	250	114,982
			4.5.2	Agricultural Sector productivity	Agriculture	40,762	7,000	2,238
			4.5.3	Program Support (Agriculture)	Agriculture	2,519	1,519	45,962
	6	Private Sector Competitiveness	4.6.1	Business Enabling Environment	Business Enabling Environment	107,169	-	229,445
			4.6.2	Private Sector Productivity	Economic growth	4,575	5,800	(5,800)
			4.6.3	Workforce Development	Economic growth	3,600	2,000	(2,000)
			4.6.4	Program Support (Private Sector)	Program Support (Private Sector)	1,300	-	3,700
	7	Economic Opportunities	4.7.1	Inclusive Financial Markets	Inclusive Financial Markets	8,721	-	16,279
			4.7.5	Program Support (Econ)	Economic growth	765	-	4,235
	8	Environment	4.8.1	Natural Resources and Biodiversity	Biodiversity Conservation & Reforestation	15,000	-	-
					1,412,900	25,569	1,438,469	1,790,389
TOTAL OBJECTIVE 5:					1,851,469	79,034	1,930,503	2,788,150

References to "FY" refer to the USG fiscal year.

These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3.1 (b) of the Agreement